

Solving Older Adults' Medigap Insurance Problems Through Skilled Training^{1,2}

SANDRA A. CARAMELA-MILLER AND RALPH F. DARR, Department of Psychology and Department of Educational Foundations and Leadership, The University of Akron, Akron, OH 44325

ABSTRACT. A critical problem occurs when older adults purchase Medigap supplemental insurance to cover Medicare's gaps, since the elderly generally fail to understand the basics of these gaps. If consumers are better informed, they may be able to better evaluate and choose an adequate policy fitting their individual needs. Further, if older adults can be taught strategies through guided training, to help them deal with the enormous amounts of information in the policies, and, if this information can be presented in an organized form, such as a matrix, their processing of the information may be facilitated. This should lead to more intelligent problem solving behavior. An applied cognitive aging training approach will be discussed in an information processing framework, with particular emphasis on expert-novice differences, and transfer of training. The field environment selected for this study is a demonstration counseling project in Summit County, OH, that has been operational since May 1990. This project was borne out of the cooperative efforts of the Ohio Attorney General's Office, an appointed Insurance Advisory Committee composed of representatives from the area's major hospitals and senior citizens centers, and the Institute for Life-Span Development and Gerontology at The University of Akron.

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INTRODUCTION

Each year thousands of older Americans are faced with high medical bills. Medicare covers only a portion of their health care costs. Many older persons seek Medigap supplemental health insurance to cover the gaps left by Medicare. However, these older adults often fail to understand their Medicare benefits and the need for insurance to cover the gaps (Latour et al. 1983).

In 1989, there were about 20 million Medicare supplemental policies in force in the United States, covering over 30 million Americans (The Washington Association of Health Underwriters 1989). Approximately two-thirds of all Medicare recipients purchase private supplemental health insurance (McCall et al. 1986).

The rising cost of supplement insurance makes careful selection of the appropriate policy imperative. In 1982, the average annual premium for supplemental insurance ranged from \$234 to \$473 (McCall et al. 1983). By 1989, the average annual premium had risen to \$705 (AARP 1989). Often the need for Medigap policies falls hardest on those who can afford it least (Smeeding and Straub 1987). Many older adults become aware of the importance of such supplemental coverage only after they have incurred large medical bills (Little 1982). Others feel it is important to carry several insurance policies where one Medigap policy would suffice.

Lambert (1980) found that older adults appear informed about insurance items with which they have had experience, such as those involving eyeglasses, physician care, and prescription drug coverage. They are less informed

regarding more costly medical treatments such as hospitalization and nursing home care.

Complicating the problem is the intricate nature of insurance policies. There are many irrelevant features which are introduced by the commissioned salesperson in such a way that these features may be difficult to ignore. A careful focus on the most relevant information is needed in order to process enough significant information to make wise insurance purchase selections. The elderly are particularly vulnerable to attending to irrelevant stimuli (Craik and McDowd 1987, Wingfield et al. 1985) and it may be that the enormous amounts of irrelevant stimuli present in insurance policies interferes with directing attention to the more relevant features.

As a step toward problem solving the Medigap selection dilemma, older adults can be trained to deal with large amounts of complicated insurance information presented to them. If insurance information can be presented in an organized fashion, such as in a matrix, the older adults may be better able to process these large amounts of information efficiently and effectively. Further, if the policy gaps are rank-ordered by the experienced older adult consumer, into their perceived order of importance, these consumers should be able to process many policies, based on the more important gaps. Such a matrix could act as an organizing tool and would facilitate the selection process. With guided training and the use of these tools, older consumers should be in a better position to solve their Medigap selection dilemma.

This paper reports on a demonstration project initiated by the Office of the Attorney General of the State of Ohio in 1989. The project focused on two issues:

1. Can older adults comprehend the intricacies of Medigap insurance policies when that information is presented in an unbiased, highly organized fashion?

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2. Can older adult volunteers be trained to provide this unbiased, highly structured information to other older adults?

A Demonstration Project

In May of 1989, the Office of the Attorney General of the State of Ohio set out to develop a Medigap demonstration project in Summit County, OH. A steering committee composed of representatives from local hospitals, senior service programs, and The Institute for Life-Span Development and Gerontology at The University of Akron were empowered with the task of presenting organized, impartial information regarding Medigap supplemental health insurance policies at no cost to the older adults in the community. At present, there are seven operative sites in Summit County where impartial health insurance information can be obtained.

There are 33 volunteer older adults who have been comprehensively trained and certificated to disseminate impartial Medigap supplemental insurance information. Their training focused on the development of expertise in the complicated Medicare/Medigap health insurance area with an heightened sensitization to health insurance problems. Additionally, the volunteers were explicitly trained to read and understand complicated insurance policy language.

A carefully developed matrix of supplemental insurance policies available in the State of Ohio was used to provide elderly volunteers with the basic information that they would need to teach other elderly citizens about Medigaps. This matrix—*Medicare Supplemental Insurance Comparison Chart: Ohio 1990*—was prepared under the auspices of the Ohio Department of Aging, the Office of the Attorney General, and the Ohio Department of Insurance. The various gaps in the Medicare coverage are listed as column headings. The various supplemental Medigap policies available in the State of Ohio are listed as rows in the left margin of the matrix. The cells indicate whether the policy listed in the left margin covers the particular Medigap indicated in that column: "Yes" indicates coverage; "No" indicates non-coverage.

This impartial demonstration project provides seriously needed information regarding Medigap supplemental insurance policies. Such information enables older adults to make informed choices. This type of service has been missing from the existing list of community services. With the recent repeal of Medicare's Catastrophic Act in 1990, the project is timely.

For a variety of reasons no formal post-instruction assessment of these elderly volunteers' knowledge of the intricacies of Medigap insurance policies was conducted. However, from the quality of their instruction during training and from the fact that none of the 33 volunteers withdrew, it was concluded that the project demonstrated that older adults can learn the intricacies of Medigap policies when that information is presented in a clear, concise format such as a matrix.

From observation of the original group of volunteers working with a second group of elderly volunteers, it was concluded that the original volunteers were very effective users of the matrix when instructing their age-

group cohorts about the intricacies of Medigap insurance policies. Twenty-one of the original volunteers remain with the program.

The project was designed to determine if older adult volunteers could be trained to be accurate, effective providers of Medigap information to their peers. These volunteers were not trained or encouraged to act as financial advisors to their peers instruction groups. The instructor volunteers were neither to review previous Medigap choices made by their "students" nor to recommend future Medigap action. The original trainees were only to receive information about Medigap problems and then be able to pass the information on to another group of elderly volunteers. In this sample, they were able to carry out both tasks very effectively.

Future Studies

The ultimate goal of this effort is to gain state-wide acceptance of the matrix approach using volunteer advisors. First, however, there must be careful evaluation of the existing processes in order to establish the validity of this experimental approach. The cognitive processes involved in the problem solving behavior of older adults will be examined in the context of this demonstration project.

Expertise in problem solving is related to the size of the solver's domain specific knowledge base and is proportional to the time spent by the solver on operating problems in that domain (Charness 1985). A key to solving problems is to represent the problems in such a way that the solver can apply the needed operations to reach solution (Anderson 1985).

A novice approaches a problem task differently than an expert. The expert has learned to perceive recurring patterns in the problem and then apply solution strategies to the patterns. The novice does not benefit from previously established pattern recognition (Anderson 1985). Increasing the availability of relevant information can facilitate problem solving. Conversely, increasing irrelevant data tends to inhibit problem solving. Thus, one distinct advantage the expert may have over the novice is that the expert may only process the relevant information, whereas the novice attempts to process all available information. This advantage, in itself, may account for the differences in performance between expert and novice problem solving behavior.

In a proposed study, an older adult group of novices will attend a cognitive training session to emphasize strategy development and to demonstrate manipulation of the insurance matrix. Participants will be explicitly encouraged through training to transfer the problem solving skills learned in training to other consumer decision-making tasks. The older adult expert group used in this study will be the comprehensively trained, certificated volunteers of the Medigap demonstration project. It is expected that after training, novices will elevate their problem solving performance level to that of the experts in this health insurance selection task.

The responsibility for the validation of this matrix and the concomitant issues have been shifted from the Office

of the Attorney General to the Department of Insurance. Because of this shift in sponsorship and other factors, neither author is currently involved with efforts to evaluate this Medigap training program.

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